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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
JANUARY 1970

Volume 14

Number 6

Released Pursuant to § 1090.27 (j) and § 1090.85, USDA-CMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - JANUARY 1970

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants is \$6.29. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 8.0 cents for each one-tenth of one percent above or below 3.5% test.

In January 1970, 77.1% of producer milk received by pool plants was priced in Class I at \$6.78 per cwt. and 22.9% was priced in Class II at \$4.67 per cwt. The January butterfat differential for Class I was 8.2 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during January 1970 was 31,325,265 pounds which is an increase of 8,567,219 pounds or 37.6% compared with January 1969. The January daily average deliveries from 768 producers was 1,316 pounds. This compares to 619 farms delivering a daily average of 1,186 pounds per day during January 1969.

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

A request has been received by the Market Administrator from Tennessee Valley Milk Producers, Inc. to revise his determination that all producers supplying milk to the Chattanooga area handlers be given an opportunity to continue contributing to the Dairy Council at the current rate and to the American Dairy Association at an increased rate.

The Market Administrator has made a review of current producer deductions and the request of the Association representing certain Chattanooga area producers. By this and other means, in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by area milk producers to making deductions for the support of these programs.

It is now possible, as a result of this determination, for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (DC 1¢ and ADA 5¢) from payments to milk producers, provided the handler gives each producer notice of his intentions to make these deductions for one year beginning with February 1970 deliveries. All handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. Market Administrator auditors will examine all letters which producers send handlers regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

S/ J. B. McCroskey, Market Administrator

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Jan. '70 Over Jan. '69	Jan. 1970	Dec. 1969	Jan. 1969
Number of Plants (Pool and Non-Pool)		20	20	18
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 37.6	1,010,492	1,020,673	734,131
Other Source	- 21.8	37,319	29,999	47,729
Other Federal Orders	- 28.4	193,979	260,113	270,870
TOTAL MILK RECEIPTS	+ 18.0	1,241,790	1,310,785	1,052,730
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 12.4	444,911	421,880	395,996
Skim - Regular	- 1.3	20,896	19,250	21,178
Skim - 2% Milk	+ 43.1	102,936	94,423	71,913
Buttermilk	+ 6.0	50,867	47,448	47,983
Flavored Milk and Drink	+ 21.3	16,201	15,536	13,358
Creams (Sweet and Sour)	- 0.6	3,007	3,799	3,026
Sub-Total - Pkg. Products (Pool Plants)	+ 15.4	638,818	602,336	553,454
Other (Shrinkage, Inventory, etc.)		4,121	5,390	5,682
Sales to Non-Pool Plants		149,608	142,626	194,950
In-Area Sales by Non-Pool Plants		42,101	41,724	57,595
TOTAL CLASS I MILK	+ 2.8	834,648	792,076	811,681
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 6.4	34,980	29,185	37,383
Cottage Cheese	+ 4.7	36,247	29,327	34,625
Powdered and Condensed Milk		6,366	28,197	18,084
Livestock Feed and Milk Dumped		5,953	7,761	6,015
Sub-Total - Used to Produce	- 13.1	83,546	94,470	96,107
Shrinkage Class II		15,121	14,413	13,364
Other (Inventory Variation, etc.)		17,722	(9,329)	(10,914)
Bulk Sales to Non-Pool Plants		290,753	419,155	142,492
TOTAL CLASS II MILK	+ 68.9	407,142	518,709	241,049
Class I Pkg. Lbs. in Area - Pool Plants	+ 6.6	493,215	474,381	462,608
Class I Pkg. Lbs. Out of Area - Pool Plants	+ 60.3	145,603	127,955	90,846
Class I Pkg. Lbs. in Area - Non-Pool Plants		42,101	41,724	57,595
% Producer Milk of Gross Class I		121.1	128.9	90.4
% Producer Milk Priced in Class I		77.1	72.2	78.7

USDA TO RECONVENE HEARING ON MILK PRICING FORMULA

The U. S. Department of Agriculture announced it will hold an additional hearing session in New York, N. Y., February 17, to consider a proposed economic formula for pricing bottling milk to dairy farmers under all Federal milk marketing orders. An earlier session of this hearing was held January 20-23 at Clayton, Missouri. The reconvened hearing will begin at 10 a.m. on February 17, in the Conference Room of the administrator of the New York-New Jersey milk order, 205 East 42nd Street, New York, N. Y. USDA's Consumer and Marketing Service said the proposed "economic formula" would provide for identical bottling milk (Class I) price changes to be made simultaneously in all Federal milk order markets. Alternative proposals to limit or modify the "economic formula" also will be considered.

COMPUTATION OF PRODUCER UNIFORM PRICE

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JANUARY 1970	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		25,874,076	3.371		
Less Other Source		1,713,455	2.862		
Producer Milk Class I	77.1	24,160,621	3.406597	\$6.703410	\$1,619,585.48
Gross Class II		12,621,419	5.236		
Less Other Source		5,456,775	3.525		
Producer Milk Class II	22.9	7,164,644	6.538399	7.039951	504,387.43
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	31,325,265	4.122896		2,123,972.91
Less Fractional Adjustment					.07
Add Value of Inventory Reclassified					166.63
Add Value of Other Source Receipts					
Allocated to Class I		44,446			2,887.48
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					14,856.25
TOTAL VALUE AT TEST		31,369,711	4.121523	\$6.827870	\$2,141,883.20
Less Test over 3.5% @ 8.0¢ per point		31,369,711	0.621523	0.497218	155,975.85
TOTAL UTILIZATION VALUE AT 3.5%		31,369,711	3.5	6.330652	\$1,985,907.35
Less Producer-Settlement Fund Reserve		31,369,711		.040652	12,752.41
PRODUCER UNIFORM PRICE		31,369,711	3.5	\$6.29	\$1,973,154.94

JANUARY 1970 ORDER MINIMUM PRODUCERS PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.89	3.6	\$6.37	4.2	\$6.85	4.8	\$7.33	5.4	\$7.81
3.05	5.93	3.65	6.41	4.25	6.89	4.85	7.37	5.45	7.85
3.1	5.97	3.7	6.45	4.3	6.93	4.9	7.41	5.5	7.89
3.15	6.01	3.75	6.49	4.35	6.97	4.95	7.45	5.55	7.93
3.2	6.05	3.8	6.53	4.4	7.01	5.0	7.49	5.6	7.97
3.25	6.09	3.85	6.57	4.45	7.05	5.05	7.53	5.65	8.01
3.3	6.13	3.9	6.61	4.5	7.09	5.1	7.57	5.7	8.05
3.35	6.17	3.95	6.65	4.55	7.13	5.15	7.61	5.75	8.09
3.4	6.21	4.0	6.69	4.6	7.17	5.2	7.65	5.8	8.13
3.45	6.25	4.05	6.73	4.65	7.21	5.25	7.69	5.85	8.17
3.5	6.29	4.1	6.77	4.7	7.25	5.3	7.73	5.9	8.21
3.55	6.33	4.15	6.81	4.75	7.29	5.35	7.77	5.95	8.25

PRODUCER MILK BASES - 1970

Federal Order Milk bases for producers will be announced by February 28, 1970. Milk Bases were established during September 1969 thru January 1970. These bases are to be used for calculating payment to producers for milk deliveries during March thru July 1970. If you do not receive your Milk Base Notice soon after March 1, 1970, please notify the Market Administrator, P.O. Box 8085, Chattanooga, Tenn. 37411.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan.'69	\$6.16	-	-	8.0¢	\$6.72	8.2¢	\$4.27	7.6¢
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	5.90 2/	\$6.07	\$4.28	7.8	6.56	8.0	4.28	7.6
Apr.	5.71 2/	5.96	4.34	8.0	6.56	8.0	4.34	7.8
May	5.84 2/	6.08	4.37	8.0	6.45	8.1	4.37	7.8
June	5.73 2/	5.88	4.39	8.0	6.34	8.1	4.39	7.8
July	6.03 2/	6.20	4.41	8.0	6.50	8.1	4.41	7.8
Aug.	6.10	-	-	8.0	6.74	8.1	4.42	7.8
Sept.	6.29	-	-	8.0	6.85	8.1	4.49	8.0
Oct.	6.18	-	-	8.2	6.70	8.4	4.58	7.8
Nov.	6.01	-	-	8.0	6.47	8.2	4.62	7.8
Dec.	6.17	-	-	8.0	6.77	8.1	4.63	7.9
Jan.'70	6.29	-	-	8.0	6.78	8.2	4.67	7.8
Feb.	-	-	-	-	6.82	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi.92° Butter	Chi.Area Powder	Minn/Wisc Mfg.Milk	Basic Formula	(Daily Average)		Class I	Class II
	¢ Lb.	¢ Lb.	\$-cwt-3.5%	Minimum	Pounds	Test-%	Pounds	Test-%
Jan.'69	66.41	22.95	4.27	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	22.94	4.23	4.33	538,299	3.42	213,449	5.65
Mar.	66.39	23.04	4.28	4.33	542,370	3.40	215,901	5.50
Apr.	67.59	23.01	4.34	4.33	518,846	3.33	316,364	4.64
May	67.64	23.03	4.37	4.33	579,475	3.31	234,172	4.80
June	67.64	22.98	4.39	4.33	512,990	3.29	216,362	4.88
July	67.64	22.96	4.41	4.33	557,280	3.31	153,706	5.25
Aug.	67.80	23.01	4.42	4.33	559,555	3.30	212,789	4.82
Sept.	69.85	22.95	4.49	4.33	786,310	3.37	240,567	5.13
Oct.	68.23	22.93	4.58	4.33	796,489	3.41	237,254	5.66
Nov.	67.84	23.14	4.62	4.33	773,131	3.49	242,417	5.78
Dec.	68.45	22.96	4.63	4.33	736,616	3.46	284,057	5.76
Jan.'70	67.61	23.00	4.67	4.33	779,375	3.41	231,117	6.54

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm--Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Jan.'69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-
Mar.	18	1,078,934	739,355	611	758,271	688,137	4.00	1,241	1,126	115
Apr.	17	1,166,507	671,623	609	835,210	709,211	3.82	1,371	1,165	206
May	17	1,111,639	748,156	606	813,647	701,721	3.74	1,343	1,158	185
June	17	1,052,351	697,377	605	729,352	658,441	3.76	1,206	1,088	118
July	18	1,033,980	788,712	619	710,986	644,643	3.73	1,149	1,041	108
Aug.	19	1,170,556	761,915	620	772,344	-	3.72	1,246	-	-
Sept.	18	1,145,420	868,129	751	1,026,877	-	3.79	1,367	-	-
Oct.	19	1,154,387	869,889	756	1,033,743	-	3.93	1,367	-	-
Nov.	19	1,204,899	841,680	755	1,015,548	-	4.04	1,345	-	-
Dec.	20	1,310,785	792,076	773	1,020,673	-	4.10	1,320	-	-
Jan.'70	20	1,241,790	834,648	768	1,010,492	-	4.12	1,316	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I

PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

States and Counties	December 1969				December 1968			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	447,891	1.42	18	803	392,664	1.76	16	792
Bradley	3,104,404	9.81	93	1,077	3,116,404	13.97	100	1,005
Coffee	100,288	.32	3	1,078	122,614	.55	3	1,318
Cumberland	931,153	2.94	24	1,252	767,808	3.44	25	991
Fentress	380,084	1.20	14	876	393,144	1.76	14	906
Franklin	1,744,862	5.51	42	1,340	1,638,760	7.34	42	1,259
Hamilton	1,716,430	5.42	33	1,678	1,494,235	6.70	32	1,506
Loudon	2,271,233	7.18	49	1,495	420,075	1.88	10	1,355
Marion	338,771	1.07	15	729	330,539	1.48	15	711
McMinn	6,238,159	19.72	151	1,333	4,393,516	19.69	129	1,099
Meigs	1,089,937	3.44	27	1,302	992,204	4.44	27	1,185
Monroe	4,388,231	13.87	91	1,556	465,754	2.09	9	1,669
Overton	524,851	1.66	17	996	426,346	1.91	16	860
Polk	1,090,516	3.45	20	1,759	881,066	3.95	19	1,496
Putnam	534,044	1.69	17	1,013	392,525	1.76	17	745
Rhea	776,016	2.45	23	1,088	566,146	2.54	23	794
Sequatchie	601,291	1.90	13	1,492	604,855	2.71	14	1,394
White	720,880	2.28	18	1,292	514,120	2.30	17	976
Others 1/	364,187	1.15	6	1,958	297,587	1.34	5	1,920
Total	27,363,228	86.48	674	1,310	18,210,362	81.61	533	1,102
<u>GEORGIA</u>								
Catoosa	1,596,585	5.05	25	2,060	1,494,801	6.70	27	1,786
Gilmer	221,049	.70	6	1,189	174,026	.78	6	936
Murray	193,101	.61	3	2,076	177,880	.80	3	1,913
Walker	880,028	2.78	21	1,352	808,198	3.62	23	1,133
Whitfield	696,384	2.20	17	1,321	868,401	3.89	21	1,334
Others 2/	235,240	.74	5	1,518	239,109	1.07	5	1,543
Unknown 3/	128,609	.41	16	-	-	-	-	-
Total	3,950,996	12.49	93	1,370	3,762,415	16.86	85	1,428
<u>ALABAMA</u>								
Cherokee			4				4	
DeKalb			1				1	
Jackson			1				1	
Total 4/	326,645	1.03	6	1,756	341,432	1.53	6	1,836
TOTAL MARKET	31,640,869	100.00	773	1,320	22,314,209	100.00	624	1,154

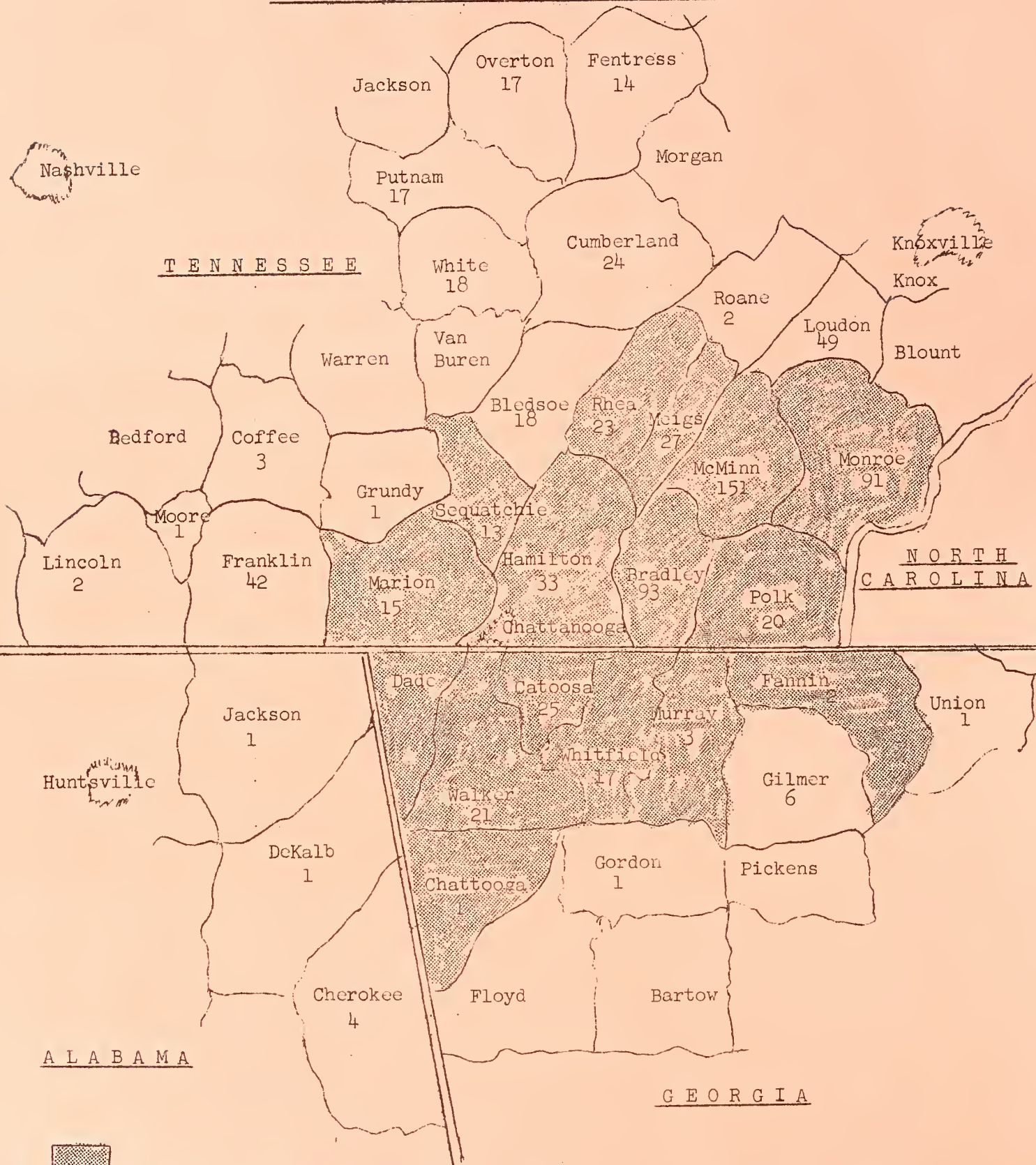
1/ For 1969 includes one producer in each of Grundy and Moore Counties and two producers in each of Lincoln and Roane Counties. For 1968 includes one producer in Moore County and two producers in each of Grundy and Lincoln Counties.

2/ For both 1968 and 1969 includes one producer in each of Chattooga, Gordon and Union Counties and two producers in Fannin County.

3/ Represents deliveries from producers not normally associated with the Chattanooga Market.

4/ Alabama totals shown since information is restricted by counties.

CHATTANOOGA AREA MILKSHED - DECEMBER 1969



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton, Marion, McMinn, Meigs, Monroe, Polk, Rhea and Sequatchie Counties in Tennessee and Catoosa, Chattooga, Dade, Fannin, Murray, Walker and Whitfield Counties in Georgia